DIRECT TESTIMONY OF

JOSEPH L. HODGES, JR., P.E.

ON BEHALF OF

DOMINION ENERGY SOUTH CAROLINA, INC.

DOCKET NO. 2020-63-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Joseph L. Hodges, Jr. My business address is 220 Operation Way, Cayce, SC 29033. As Manager of Renewable Programs and Technical Services, my responsibilities include technical support for the implementation and management of Dominion Energy South Carolina, Inc.'s ("DESC") utility-scale renewables business. I am also responsible for DESC's Power Quality Engineering Services.

Q. BRIEFLY STATE YOUR EDUCATION, BACKGROUND, AND EXPERIENCE.

A. I received a Bachelor of Science degree in Electrical Engineering from Clemson University in 1989, and a Master of Science degree in Electrical Engineering from The University of South Carolina in 2001. I am licensed in South Carolina as a Professional Engineer. Upon graduation in 1989, I began working with Palmetto Electric Cooperative, Inc. as an Electrical Engineer. In 1990, I joined Honeywell as an Electrical Engineer and served in various engineering and

supervisory positions in plant operations. In 1997, I joined South Carolina Electric & Gas Company[1] as a Power Quality Engineer and was promoted to Manager of Power Quality in 2013. In 2014, I received responsibility for management of utility-scale renewable programs in addition to my power quality responsibilities.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA (THE "COMMISSION")?

A. No.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to describe how DESC can leverage its inventory of Renewable Energy Credits ("RECs") to help Bridgestone Americas Tire Operations, LLC ("BATO") achieve its corporate sustainability goals.

Q. DOES DESC HAVE A PROCESS BY WHICH IT CAN ASSIST BATO IN ACHIEVING THE SUSTAINABILITY OBJECTIVES OUTLINED IN BATO'S DIRECT TESTIMONY IN THIS DOCKET?

A. Yes. From my review of Courtney Cannon's testimony filed on behalf of BATO in this docket, it appears that BATO's sustainability objectives are based, at least in part, on the use of renewable energy. DESC has contractual rights to all

[1] South Carolina Electric & Gas Company became DESC in April of 2019.

environmental attributes—including the RECs—from approximately 200 MW of solar generation connected to the DESC distribution and transmission systems.

Q. CAN YOU PROVIDE A BRIEF OVERVIEW OF THE PROCESS BY WHICH DESC COULD USE RECS TO ASSIST BATO IN ACHIEVING ITS SUSTAINABILITY GOALS?

A. Yes. DESC maintains an account with the North American Renewables Registry ("NAR") to track and manage all of DESC's renewable energy purchases and associated RECS. Through NAR, DESC is able to create unique, serialized records for every REC. These records are used to track each REC from its issuance to the facility to its retirement. For example, BATO could purchase RECs from DESC in an amount sufficient to meet its sustainability objectives. Then, BATO could retire those RECs to meet its sustainability objectives. Likewise, DESC could retire such RECs on behalf of BATO.

Q. IS IT COMMON FOR CORPORATIONS TO PURCHASE RECS TO MEET A STATED ENVIRONMENTAL OR SUSTAINABILITY GOAL?

A. Yes. Corporations in South Carolina and across the United States purchase RECs to satisfy both voluntary and mandated sustainability goals. In the past 2 years, DESC has retired over [redacted] solar RECs for industrial-customer use.

Q. COULD BATO PURCHASE RECS TO CONTRIBUTE TOWARD ITS SUSTAINABILITY GOALS DURING THE TIME IN WHICH THE PROPOSED SOLAR GENERATOR (THE "GENERATING FACILITY") IS BEING STUDIED BY DESC TO ENSURE THE GENERATING FACILITY DOES NOT PRESENT A RISK TO DESC EMPLOYEES OR THE SAFETY AND RELIABILITY OF THE BULK ELECTRIC SYSTEM?

A. Yes. Currently, there are [redacted] RECs in DESC's inventory for 2019, and a projected inventory of [redacted] for 2020, 2021, and 2022. Based on the average capacity factor of 26% for a fixed-tilt 1.98 MW solar generator in South Carolina, BATO would need approximately [redacted] RECs annually to cover the amount of load offset by the Generating Facility. This means that BATO can purchase enough RECs from DESC to meet BATO's 2019 and 2020 needs. Additionally, based on the amount of solar generation DESC has under contract now, DESC will obtain more than enough RECs to meet BATO's needs until the Generating Facility can be studied and interconnected safely pursuant to the South Carolina Generator Interconnection Procedures, Forms, and Agreements. DESC would also be willing to negotiate a REC arrangement to offset a substantial portion of BATO's purchased electric energy, not just the amount that would be offset by the Generating Facility. Lastly, it is important to note that DESC does not directly benefit from REC sales, whether to BATO or otherwise. Rather, any proceeds that DESC receives from such sales are used to lower purchased power costs, which benefits DESC's customers.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.